

# NOTICE

**PNB GILTS LTD.**  
**REGD. OFFICE : 5, SANSAD MARG, NEW DELHI - 110 001**

NOTICE is hereby given that the SEVENTEENTH Annual General Meeting of the Members of PNB GILTS LIMITED will be held at Punjab National Bank Auditorium, Central Staff College, 8, Under Hill Road, Civil Lines, Delhi - 110054 on June 22, 2013 at 11:00 a.m. to transact the following business :

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2013.
3. To appoint a Director in place of Dr. O. P. Chawla, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sh. P. P. Pareek, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors for the year 2013-14 and fix their remuneration.

## **SPECIAL BUSINESS**

### **Appointment of Director**

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :-

"RESOLVED THAT Sh. S. R. Bansal, Executive Director of Punjab National Bank, who had been co-opted as an Additional Director of the Company and who in terms of Section 260 of the Companies Act, 1956 holds office as an Additional Director until this Annual General Meeting, and for the appointment of whom the Company had received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company whose period of office will not be liable to retirement by rotation."

### **Re-appointment of Managing Director**

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :-

"RESOLVED THAT in terms of Section 269, 309, 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and Article 132-134 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for reappointment of Sh. S. K. Dubey as the Managing Director of the Company for a period of one year w.e.f. February 1, 2013 on the terms and conditions as set out in the Explanatory Statement annexed to the notice."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to effect any change or modification in the terms of appointment including remuneration of the Managing Director subject to the relevant provisions of the Companies Act, 1956 including Schedule XIII of the said Act."

**BY ORDER OF THE BOARD**

Date : May 14, 2013  
Place : New Delhi

**(Monika Kochar)**  
**Company Secretary**

#### NOTES FOR MEMBER'S ATTENTION :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company remain closed from May 25, 2013 to June 1, 2013 (both days inclusive) (for both the shares held in physical mode and in demat mode) for the purpose of determining the names of the shareholders entitled to receive the Final Dividend for the Financial Year 2012-13.

The Transfer Deed(s) along with Share Certificate(s) received upto Friday, the May 24, 2013 i.e. the previous day of the opening of Book Closure Dates had been considered for entitlement of shareholders to receive the Final Dividend for FY 2012-13.

4. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on July 18, 2013, to those members or their mandates whose names stand registered on the Company's Register of Members :-
  - a) As Beneficial Owners as at the end of the business on May 24, 2013 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
  - b) As Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before May 24, 2013.
5. Members are requested to notify the change of address (with pincode), dividend mandate, bank details (including complete details of bank account, branch & bank name, address of branch etc), nomination etc. quoting reference of their folio number to the Share Transfer Agents at the following address :

MCS Ltd (Unit - PNB Gilts Ltd.)  
F-65, 1st Floor  
Okhla Industrial Area  
Phase - I, New Delhi-110 020

In case the mailing address mentioned on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.

6. The members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, etc. to their depository participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to members.
7. Under the provisions of Section 109A and 109B of the Companies Act, 1956, every individual member is entitled to nominate in the prescribed manner, a person to whom his/her shares in the Company, shall vest in the event of his/her death. Members who are interested in availing this nomination facility are requested to write to the Company.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ reappointment at the Annual General Meeting is contained in the Explanatory Statement for the item of Special Business and is separately annexed hereto for the item of Ordinary Business. None of the Directors is related to other.
9. The Company's shares are listed on the Stock Exchanges at Mumbai and National Stock Exchange. The listing fees of these Exchanges have been paid on time.

#### 10. E-COMMUNICATION FACILITY :

Shareholders are requested to avail E-Communication facility by registering their Email ID with M/s MCS Ltd, our Share Transfer Agents (in case the shareholding is in physical form) or with their Depository Participant (if the shareholding is in demat form) so as to enable the Company to send notice of AGM, annual report and such other important communication directly by e-mail. A format in this respect for shareholders holding shares in physical form is available at page no. 70. Shareholders holding shares in demat form may also submit similar information to their Depository Participant to avail this facility.

#### 11. NATIONAL ELECTRONIC CLEARING SERVICES (NECS)

The Reserve Bank of India has introduced National Electronic Clearing Services i.e. NECS to bring in further efficiency and uniformity in electronic credit and has instructed the banks to move to the NECS platform.

The advantages of NECS over ECS (Electronic Clearing Services) include faster credit of remittance to beneficiary's account, wider coverage with no limitations of location in India besides ease of operations for remitting agencies.

NECS, for the purpose of centralised processing of instructions and efficiency in handling bulk transactions, is operational only for banks/bank branches leveraging on Core Banking Solution (CBS), which provide ten or more digit bank account numbers to its customers. Shareholders who wish to avail the NECS facility should therefore send the new bank account numbers, allotted by banks post implementation of CBS, to our Share Transfer Agents, MCS Ltd. by filling up the NECS Mandate Form where shares are held in physical form or to their Depository Participant (DP) where shares are held in electronic form, in the event they have not done so earlier. A format of NECS mandate form is also appended at page no. 71. Shareholders are therefore requested to fill the same and submit to MCS Ltd. or to their DP, as the case may be.

#### 12. NON-RECEIPT OF DIVIDEND:

The Company has received back some undelivered envelopes containing dividend warrants in the past due to various reasons. As such, shareholders who have not received dividend(s) of previous years, are requested to contact the Company by giving details like Folio No./DP ID & Client ID, Address, Contact No. etc. Please refer page no. 26 of 'Report on Corporate Governance' for detailed explanation/procedure.

#### 13. REQUEST TO SHAREHOLDERS:

- a) **Due to strict security reasons, Mobile Phones, brief cases, eatables and other belongings are not allowed inside the auditorium.**
- b) **Shareholders may kindly note that no gift /coupon will be distributed at the Annual General Meeting in view of the strict guidelines issued by SEBI in this regard.**
- c) **Shareholders are advised to bring their copy of the Annual Report, as the same will not be distributed at the venue of the Annual General Meeting.**

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### ANNEXURE TO NOTICE

#### I EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

##### ITEM NO. 6

Sh. S. R. Bansal, Executive Director of Punjab National Bank, was co-opted as an Additional Director by the Board of Directors in its meeting held on January 23, 2013. Under Section 260 of the Companies Act, 1956 read with Article 101 of the Articles of Association of the Company, Sh. S. R. Bansal vacates the office on the forthcoming Annual General Meeting.

A notice has been received from a member as required under Section 257 of the Companies Act, 1956 proposing Sh. S. R. Bansal as a candidate for the office of Director.

Prior to his appointment as Executive Director of Punjab National bank, Sh. S. R. Bansal was General Manager of Dena Bank. He is having a rich experience of around 32 years in banking industry. He is not holding any shares of the Company.

Sh. S. R. Bansal may be deemed to be interested or concerned in the Resolution at Item No. 6.

#### **ITEM NO. 7**

The Board of Directors in its meeting held on January 23, 2013, has extended the term of appointment of Sh. S. K. Dubey as Managing Director for another year w.e.f. February 1, 2013.

The terms and conditions of re-appointment of Sh. S. K. Dubey, Managing Director are given as under :

The Managing Director shall be vested with powers of management of the Company subject to the supervision and control of the Board of Directors and shall also perform such duties and services as shall from time to time be entrusted to him by the Board.

The re-appointment shall be for a period of one year effective from February 1, 2013.

The CTC of Sh. S. K. Dubey shall be decided by the Board, subject to Service Regulations of the Company and the limits prescribed under Schedule XIII of the Companies Act, 1956.

Subject to the aforesaid, the present salary, allowances and other perquisites of Sh. S. K. Dubey shall be as under:

Basic Pay	Rs. 70000/- p.m.
Special Allowance	Rs. 40000/- p.m.
Other Allowance	Rs. 15000/- p.m.

Other Allowances and other perquisites:

- a) Conveyance Allowance : Use of Company's car for official purpose with the facility of personal use upto 3000 k.m. every half year on payment of Rs. 150/- p.m. for such use. For use beyond 3000 k.m. every half year, he shall be required to pay to the Company at the end of the half year Rs.3/- per k.m. Journeys from residence to office and back is being treated as duty runs.
- c) Leave Travel Concession:
  - During each block of two years, shall be eligible for leave travel concession for travel to his home town/anywhere in India by AC First Class or air economy class for self and spouse.
  - Once in block of two years, at the time of availing leave travel concession, he may be permitted to surrender and encash privilege leave not exceeding 15 days a year. For the purpose of such encashment, all type of emoluments payable for the month during which the availment of Leave Travel Concession commences shall be admissible.
  - He may travel by train AC 1st Class or by Air (Economy Class).
  - He may travel by car between places not connected by Air or Rail provided that the distance does not exceed 500 kms. However, when the major part of the distance between the two places can be covered by air or rail, only the rest of the distance should normally be covered by car.
  - Alternatively, he may by exercising an option anytime during the two year block, surrender and encash his LTC, upon which he shall be entitled to receive an amount equivalent to approx Rs. 6500 per month. The facility of encashment of privilege leave while availing of LFC is also available while encashing the facility of LFC.
  - Telephone, Entertainment, Medical and other facilities as per service regulations of the Company.

The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or any committee or sub-committee thereof.

Sh. S. K. Dubey may be deemed to be interested or concerned in the Resolution at Item No. 7.

## II. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN SEVENTEENTH ANNUAL GENERAL MEETING

### ITEM NO. 3

Name of Director	Dr. O. P. Chawla
Date of Birth	15/02/1934
Date of Appointment/Reappointment	11/04/1996
Expertise in Specific functional area	Former Director of National Institute of Bank Management
Qualifications	M.Com, Ph.D
List of outside Directorships held	<ul style="list-style-type: none"> <li>Shree Ram Urban Infrastructure Ltd.</li> </ul>
Chairman/Member of the Committee of the Board of Directors of the Company.	<ul style="list-style-type: none"> <li>Member - Audit Committee</li> </ul>
Chairman/Member of the Committees of Director of other Companies in which he is a Director.	
a) Audit Committee	<ul style="list-style-type: none"> <li>Chairman - Shree Ram Urban Infrastructure Ltd.</li> </ul>
b) Shareholders' Grievance Committee	-
No. of Shares held in Company	Nil

### ITEM NO. 4

Name of Director	Sh. P. P. Pareek
Date of Birth	01/10/1959
Date of Appointment/Reappointment	10/02/2009
Expertise in specific functional area	Sr. Partner in S. Bhandari & Co. for last 30 years
Qualifications	B.Com, LL.B, F.C.A.
List of outside Directorships held	<ul style="list-style-type: none"> <li>Jamuna Dream Estates Pvt. Ltd.</li> <li>Registan Marketing Pvt Ltd.</li> </ul>
Chairman/Member of the Committee of the Board of Directors of the Company	<ul style="list-style-type: none"> <li>Member - Audit Committee</li> </ul>
Chairman/Member of the Committees of Director of other Companies in which he is a Director	
a) Audit Committee	-
b) Shareholders' Grievance Committee	-
No. of Shares held in Company	1000 (One thousand only)

BY ORDER OF THE BOARD

Date : May 14, 2013

Place : New Delhi

(Monika Kochar)  
Company Secretary

## ADDENDUM TO NOTICE

**PNB GILTS LTD.**

**REGD. OFFICE : 5, SANSAD MARG, NEW DELHI - 110 001**

Members are hereby informed that in addition to the Businesses, as mentioned in the Notice dated May 14, 2013, as appended with the Annual Report of the Company, following **additional Special Business** shall also be transacted at the 17th Annual General Meeting of the Company, scheduled to be held on June 22, 2013.

### **SPECIAL BUSINESS**

#### **Issue of Bonus Shares**

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**: -

**“RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 1956, the provisions of the Articles of Association of the Company and recommendations of the Board of Directors, the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed there under and subject to the guidelines issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the Regulations) and subject to such approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities and also subject to such terms and conditions as may be specified while according such approvals, the consent of Members, be and is hereby accorded to be Board of Directors of the Company (hereinafter referred to Board, which term shall be deemed to include any Committee which the Board may constitute to exercise its powers including but not limited to powers conferred by this resolution) to capitalize a sum not exceeding Rs. 45,00,25,340/- (Rupees Forty Five Crore Twenty Five Thousand Three Hundred and Forty only), out of balance standing to the credit of the Share Premium Account for the purpose of issue of Bonus Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Record Date' to be determined by the Board for the purpose, in the proportion of 1 (One) Bonus Equity Share of Rs. 10/- (Rupees Ten) each for every 3 (Three) fully paid-up Equity Share of Rs. 10/- (Rupees Ten) each held by them.”

**“RESOLVED FURTHER THAT** the new equity shares to be issued and allotted as Bonus Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing equity shares including for the payment of dividend, if any, declared by the company any time after the allotment of aforesaid bonus shares.”

**“RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.”

**“RESOLVED FURTHER THAT** no fractional entitlement shall be allotted to the Members and all fractional entitlements remaining after allotment of Bonus Shares as aforesaid shall be consolidated into fully paid-up bonus shares, rounded off to the next whole number, and which shall be allotted to an Independent Trustee, to be nominated by the Board. The said Trustee shall sell the same, in one or more tranches, at the prevailing market price(s) through the stock exchange(s) and pay to the Company net sale proceeds for distribution to the members in proportion to their fractional entitlements.”

**“RESOLVED FURTHER THAT** the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other foreign investors and / or distribution of net sale proceeds in respect of

fractions to which such Members may be entitled shall be subject to the compliance under the applicable regulations under the Foreign Exchange Management Act, 1999, if required.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all the acts, deeds, matters and things, as may be necessary in the interest of the Company to give effect to this resolution, including but not limited to signing and execution of necessary deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard thereto.”

**BY ORDER OF THE BOARD**

Date : May 23, 2013  
Place : New Delhi

(Monika Kochar)  
Company Secretary

**NOTES FOR MEMBER'S ATTENTION** - REFER NOTES given on page no. 65 to 67 given in the notice forming part of annual report for the year 2012-13.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item No. 8**

Your company is pleased to share that during the fiscal 2012-13, it has posted good results and thus it is proposed to reward the shareholders in this successful value creation cycle of last 17 years. Accordingly, Board of Directors, in its meeting held on May 23, 2013, has recommended an issue of Bonus Shares in the proportion of 1:3 i.e. one new fully paid up equity share of Rs. 10/- each for every three fully paid up equity shares of Rs. 10/- each, to the eligible members of the company as on the Record Date to be fixed by the Board for this purpose.

The Bonus Shares shall be issued pursuant to applicable provisions of the Companies Act, 1956, Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such other approvals, if any required, after capitalizing a sum not exceeding Rs. 45,00,25,340/- from the Company's Share Premium Account.

The Bonus Shares so allotted shall rank *pari passu* in all respects and carry the same rights as the existing fully paid-up equity shares of the Company and shall be entitled to participate in full in dividend declared, if any, for the financial year in which the Bonus shares are allotted.

No fractional entitlement shall be allotted to the Members and all fractional entitlements remaining after allotment of Bonus Shares as aforesaid shall be consolidated into fully paid-up bonus shares, which shall be allotted to an Independent Trustee, nominated by the Board. If any fractional entitlement arises post consolidation, the said fractional entitlement shall be rounded off to the next whole number. The said Trustee shall sell the same, in one or more tranches, at the prevailing market price(s) through the stock exchange(s) and pay to the Company net sale proceeds for distribution to the members in proportion to their fractional entitlements.

The Directors of the Company may be deemed to be concerned or interested in the issue of bonus shares to the extent of their respective holding in the company or to the extent of the shareholdings of the companies/institutions/trusts etc. of which they are directors or members or trustees etc, without any beneficial interest.

In terms of Articles of Association of the Company, any capitalization of Reserves will require the approval of shareholders to be obtained by way of an ordinary resolution. Accordingly, the Board commends the Ordinary Resolution as set out in the above Notice for your approval.

**BY ORDER OF THE BOARD**

Date : May 23, 2013  
Place : New Delhi

(Monika Kochar)  
Company Secretary